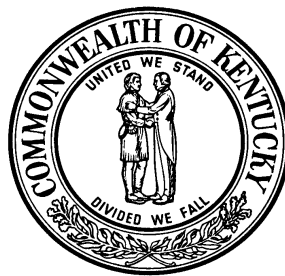


**REPORT OF THE AUDIT OF THE
WOODFORD COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2009**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 ST. CLAIRE STREET
FRANKFORT, KY 40601-1817
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE
WOODFORD COUNTY FISCAL COURT

June 30, 2009

The Auditor of Public Accounts has completed the audit of the Woodford County Fiscal Court for fiscal year ended June 30, 2009.

We have issued unqualified opinions on the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Woodford County, Kentucky.

Financial Condition:

The fiscal court had total net assets of \$24,755,014 as of June 30, 2009. The fiscal court had unrestricted net assets of \$2,090,570 in its governmental activities as of June 30, 2009, with total net assets of \$24,734,212. In its business-type activities, total net cash and cash equivalents were \$20,802 with total net assets of \$20,802. The fiscal court had total debt principal as of June 30, 2009 of \$8,734,232 with \$693,386 due within the next year.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Woodford County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Woodford County, Kentucky, prepares its financial statements in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Woodford County, Kentucky's basic financial statements. The accompanying supplementary information, combining fund financial statements, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation of the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2010, on our consideration of Woodford County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

June 3, 2010

WOODFORD COUNTY OFFICIALS

For The Year Ended June 30, 2009

Fiscal Court Members:

John Coyle	County Judge/Executive
Jackie Brown	Magistrate
Jim Staples	Magistrate
Steve Barnett	Magistrate
Gerald Dotson	Magistrate
Geoffrey Reid	Magistrate
Ellen Fouser-Gormley	Magistrate
Bones Webber	Magistrate
Larry Craig	Magistrate

Other Elected Officials:

Alan George	County Attorney
Gary Gilkison	Jailer
Judie Woolums	County Clerk
Trisha Kittinger	Circuit Court Clerk
Wayne Wright	Sheriff
Gary Gillis	Property Valuation Administrator
Steve Ward	Coroner

Appointed Personnel:

Becky Wilson	County Treasurer
Becky Wilson	Occupational Tax Collector
Janet Baugh	Finance Officer



WOODFORD COUNTY FISCAL COURT

FAX: 859-873-0196

103 SOUTH MAIN
WOODFORD COUNTY COURTHOUSE
VERSAILLES, KENTUCKY 40383

PHONE: 859-873-5701

Management's Discussion and Analysis June 30, 2009

The financial management of Woodford County, Kentucky offers readers of Woodford County's financial statements this narrative overview and analysis of the financial activities of Woodford County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with other information that we have furnished in our letter of transmission and the notes to the financial statements.

Financial Highlights

- Woodford County had total net assets of \$24,755,014 as of June 30, 2009. The fiscal court had \$2,151,993 in unrestricted net assets in its governmental activities as of June 30, 2009 with total net assets of \$24,734,212. In its business-type activities, cash and cash equivalents were \$20,802 with total net assets of the same amount. Total debt principal as of June 30, 2009 was \$8,734,232 with \$693,386 due within one year.
- At the close of the current fiscal year, Woodford County's balance sheet reported a fund balance of \$2,154,842. Of this amount \$2,093,419 is available for spending at the government's discretion (unreserved fund balance).
- Woodford County's total indebtedness at the close of fiscal year June 30, 2009 was \$8,734,232 of which \$8,040,846 is long-term debt (due after 1 year) and \$693,386 is short-term debt (to be paid within 1 year). There was one debt addition of \$152,000; debt reductions were \$607,535 for a net decrease of \$455,535.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to Woodford County's basic financial statements. Woodford County's basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GASB 34 requires management to include certain comparison schedules when they are available. These schedules include prior and current comparisons of general revenues by major source and program expenses by function.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Woodford County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of Woodford County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Woodford County is improving or deteriorating.

**Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)**

Government-wide Financial Statements (Continued):

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported on a modified cash basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses and related assets and liabilities.

Under the county's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from a cash transaction, except for the recording of depreciation expenses on capital assets in the government-wide financial statements for all activities and in the fund financial statements for the proprietary fund financial statements.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as amounts billed for services provided, but not collected) and accounts payable (expenses for goods and services received but not paid) or compensated absences are not recorded.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Woodford County's governmental activities included general governmental, protection to persons and property, general health and sanitation, social services, recreation and culture, roads, bus services, debt services and capital projects. The county has one business-type activity – the operation of a jail canteen.

The government-wide financial statements include not only Woodford County itself (known as the primary government), but also legally separate entities, which have a significant operational or financial relationship with the county. Woodford County has one such entity, the Public Properties Corporation. It is known as a blended component unit.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Woodford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Woodford County can be divided into three broad categories: *governmental funds, proprietary funds, and fiduciary funds*.

Governmental Funds

Governmental funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements; governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)

Governmental Funds (Continued):

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Woodford County maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Jail Fund, Local Government Economic Development Fund, Public Properties Corporation Courthouse Annex Bond Fund, Public Properties Corporation Community Center Bond Fund, and the Public Properties Corporation Jail Bond Fund - Series 2003, all of which are considered major funds by the County. The Local Government Economic Assistance Fund, State Grant Fund, Federal Grant Fund, and the Disaster Emergency Fund are considered non-major funds and are presented in a combined form.

Woodford County adopts an annual appropriated budget for its major governmental funds, with the exception of the three Public Properties Corporation Bond Funds. A budgetary comparison schedule has been provided for the General, Road, Jail, and Local Government Economic Development Funds to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds provide the same type of information as the business-type activities column on the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Jail Canteen Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)

Government-Wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Table 1
Woodford County's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Assets						
Current and other assets	\$ 2,510,143	\$ 2,154,842	\$ 17,594	\$ 20,802	\$ 2,527,737	\$ 2,175,644
Capital assets	32,055,614	31,313,602			32,055,614	31,313,602
Total Assets	34,565,757	33,468,444	17,594	20,802	34,583,351	33,489,246
Liabilities						
Current and other liabilities	607,535	693,386			607,535	693,386
Long-term liabilities	8,582,232	8,040,846			8,582,232	8,040,846
Total Liabilities	9,189,767	8,734,232			9,189,767	8,734,232
Net Assets						
Invested in capital assets, net of related debt	22,865,847	22,579,370			22,865,847	22,579,370
Restricted For:						
Debt Service	2,754	2,849			2,754	2,849
Grants	15,000				15,000	
Unrestricted	2,492,389	2,151,993	17,594	20,802	2,509,983	2,172,795
Total Net Assets	\$ 25,375,990	\$ 24,734,212	\$ 17,594	\$ 20,802	\$ 25,393,584	\$ 24,755,014

Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)

Government-Wide Financial Analysis (Continued):

	Table 2		Percent Change
	Governmental Activities		
	2008	2009	
Revenues:			
General Revenue	\$ 10,330,971	\$ 8,546,190	-17%
Charges For Services	700,162	1,912,856	173%
Operating Grants and Contributions	3,614,417	2,987,261	-17%
Total Revenues	14,645,550	13,446,307	-8%
Expenditures:			
General Government	5,134,165	4,721,177	-8%
Protection to Persons and Property	3,737,022	4,079,811	9%
General Health and Sanitation	1,096,014	1,279,240	17%
Social Services	264,644	136,575	-48%
Recreation and Culture	859,520	1,589,485	85%
Roads	1,428,593	1,874,102	31%
Bus Services	18,520	25,501	38%
Debt Service	458,211	342,230	-25%
Capital Projects	663,597	39,964	-94%
Total Expenditures	\$ 13,660,286	\$ 14,088,085	3%

Changes in Net Assets

Governmental Activities - Woodford County's net assets decreased by \$641,778 in fiscal year 2009. Key elements of this are as follows:

1. Current assets and cash decreased by \$355,301.
2. Investment in capital assets, net of related debt decreased by \$286,477.
3. Current and long-term liabilities decreased by \$455,535.
4. Revenues were \$13,446,307 as reflected in the Statement of Activities.
5. Expenditures totaled \$14,088,085 as reflected in the Statement of Activities.

Business-type Activities - Woodford County's net assets increased by \$3,208 in fiscal year 2009. Key elements of this are as follows:

- Current assets and cash increased by \$3,208.

**Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)**

Financial Analysis of the County's Funds

As noted earlier, Woodford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview - The focus of the Woodford County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the June 30, 2009 fiscal year, the combined ending fund balance of the Woodford County's governmental funds was \$2,154,842. Approximately 97% (\$2,093,419) of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance (\$61,423) is reserved to indicate that it is not available for new spending because it is committed.

The County has seven major governmental funds. They are: 1) General Fund; 2) Road Fund; 3) Jail Fund; 4) Local Government Economic Development Fund; 5) Public Properties Corporation Courthouse Annex Bond Fund; 6) Public Properties Corporation Community Center Bond Fund; and 7) Public Properties Corporation Jail Bond Fund - Series 2003. There are four non-major funds. They are: 1) Local Government Economic Assistance Fund; 2) State Grant Fund; 3) Federal Grant Fund; and 4) Disaster Emergency Fund.

1. The General Fund is the chief operating fund of Woodford County. At the end of the June 30, 2009 fiscal year, unreserved fund balance of the General Fund was \$1,827,684 while total fund balance was \$1,851,163. The county received \$6,333,744 in Occupational tax revenues. This accounts for approximately 58% of the general fund revenue. \$1,311,405 was received from real and personal property taxes and accounts for approximately 12% of the county's general fund revenues. Various other taxes and service fees make up the remaining 30% of revenues.
2. The Road Fund is the fund related to county road and bridge construction and maintenance. The Road fund collected \$928,031 in revenue and received \$600,000 from the General Fund. The Road Fund had a prior year surplus carry over amount of \$58,751, for a total operating budget of \$1,586,782. There were expenses of \$1,460,133 leaving a year-end balance of \$126,649.
3. The Jail Fund is used to account for the operation of the County's detention program. The Jail Fund received \$767,804 in revenue generated from its operations and \$650,000 was transferred in from the General Fund. The Jail Fund transferred \$76,796 back to the General Fund. The Jail Fund had a prior year carry over amount of \$136,234 with a prior period adjustment of 360, for a total operating budget of \$1,477,602. There were expenses of \$1,466,293, leaving a year-end balance of \$11,309.
4. The Local Government Economic Development Fund is used to account for economic development projects. The Local Government Economic Development Fund received \$139,382 from intergovernmental revenue sources, with a prior year carry over amount of \$542,754, for a total operating budget of \$682,136. There were expenses of \$647,830, leaving a year-end balance of \$34,306.
5. The Public Properties Corporation Courthouse Annex Bond Fund had a fund balance of \$282 as of June 30, 2009. The purpose of this fund is to account for debt service requirements of the Courthouse Annex Bonds for the Fiscal Court.

**Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)**

Financial Analysis of the County's Funds (Continued)

Governmental Funds Overview (Continued):

6. The Public Properties Corporation Community Center Bond Fund had a \$2,519 fund balance as of June 30, 2009. The purpose of this fund is to account for debt service requirements of the Community Center Bonds for the Fiscal Court.
7. The Public Properties Corporation Jail Bond Fund - Series 2003 had a \$48 fund balance as of June 30, 2009. The purpose of this fund is to account for the debt service requirements of the Jail Bonds for the Fiscal Court.
8. The Local Government Economic Assistance Fund had a fund balance of \$102,133 as of June 30, 2009.
9. The State Grant Fund is used to account for state monies received. The county received \$155,047 in state funds for various ongoing projects. The State Grant Fund had a \$21,126 balance as of June 30, 2009.
10. The Federal Grant Fund is used to account for federal monies received. The county received \$11,402 in federal funds for ongoing projects. There were expenses of \$11,402, leaving a fund balance of \$0.
11. The Disaster Emergency Fund had a fund balance of \$5,307 as of June 30, 2009.

Proprietary Funds Overview - The County's proprietary fund statements provide the same type of information found in the business-type activities column of the government-wide statements, but in more detail.

Woodford County has one enterprise fund, the Jail Canteen Fund. The Jail Canteen Fund had net assets of \$20,802 and a cash balance of \$20,802 of June 30, 2009.

General Fund Budgetary Highlights

Actual operating revenues were \$657,273 less than originally budgeted by Fiscal Court. Actual operating revenues were also \$657,273 less than final budget.

Actual operating expenditures were \$2,151,795 less than amount originally budgeted by Fiscal Court. Actual operating expenditures were \$1,181,865 less than final budget.

Capital Assets and Debt Administration

Capital Asset - Woodford County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$31,313,602 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings, other equipment, vehicles and equipment, and infrastructure.

Additional information on the County's capital assets can be found in Note 3 of this report.

**Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)**

Capital Assets and Debt Administration (Continued)

Capital Assets (Continued)

Table 3
Woodford County's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land and Land Improvements	\$ 1,860,984	\$ 1,860,984			\$ 1,860,984	\$ 1,860,984
Construction in Progress	152,313	250,323			152,313	250,323
Buildings	17,874,030	17,449,571			17,874,030	17,449,571
Other Equipment	381,499	419,485			381,499	419,485
Vehicles and Equipment	1,271,169	1,253,827			1,271,169	1,253,827
Infrastructure	10,515,619	10,079,412			10,515,619	10,079,412
Total Net Capital Assets	<u>\$ 32,055,614</u>	<u>\$ 31,313,602</u>	<u>\$</u>	<u>\$</u>	<u>\$32,055,614</u>	<u>\$31,313,602</u>

Long-Term Debt - At the end of the 2009 fiscal year, Woodford County had total long-term debt principal outstanding of \$8,734,232. The amount of this debt due within the next year is \$693,386 and \$8,040,846 is due in subsequent years. This debt is described in Notes 4 and 5 of the notes to the financial statements.

OTHER MATTERS

The following factors will have a significant effect on Woodford County's financial position or results of operations and were taken into consideration in developing the 2009 fiscal year budget:

- The county is starting to experience manufacturing layoffs, which could affect the Occupational Tax Collections.

Requests For Information

This financial report is designed to provide a general overview of Woodford County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Woodford County Treasurer, 103 South Main Street, Room 201, Versailles, KY 40383.

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WOODFORD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

WOODFORD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,154,842	\$ 20,043	\$ 2,174,885
Other		759	759
Total Current Assets	2,154,842	20,802	2,175,644
Noncurrent Assets:			
Capital Assets - Net of Accumulated Depreciation			
Construction In Progress	250,323		250,323
Land and Land Improvements	1,860,984		1,860,984
Buildings	17,449,571		17,449,571
Other Equipment	419,485		419,485
Vehicles and Equipment	1,253,827		1,253,827
Infrastructure	10,079,412		10,079,412
Total Noncurrent Assets	31,313,602		31,313,602
Total Assets	33,468,444	20,802	33,489,246
LIABILITIES			
Current Liabilities:			
Financing Obligations	163,386		163,386
General Obligation Bonds	420,000		420,000
Revenue Bonds	110,000		110,000
Total Current Liabilities	693,386		693,386
Noncurrent Liabilities:			
Financing Obligations	395,846		395,846
General Obligation Bonds	4,535,000		4,535,000
Revenue Bonds	3,110,000		3,110,000
Total Noncurrent Liabilities	8,040,846		8,040,846
Total Liabilities	8,734,232		8,734,232
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	22,579,370		22,579,370
Restricted For:			
Debt Service	2,849		2,849
Unrestricted	2,151,993	20,802	2,172,795
Total Net Assets	\$ 24,734,212	\$ 20,802	\$ 24,755,014

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	<u>Program Revenues Received</u>		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government:			
Governmental Activities:			
General Government	\$ 4,721,177	\$ 235,961	\$ 1,613,096
Protection to Persons and Property	4,079,811	1,144,293	160,444
General Health and Sanitation	1,279,240	320,927	61,856
Social Services	136,575		
Recreation and Culture	1,589,485	201,279	139,382
Roads	1,874,102	10,396	988,260
Bus Services	25,501		12,821
Interest on Long-Term Debt	342,230		
Capital Projects	39,964		11,402
Total Governmental Activities	14,088,085	1,912,856	2,987,261
Business-type Activities:			
Jail Canteen	60,220	63,428	
Total Business-type Activities	60,220	63,428	
Total Primary Government	\$ 14,148,305	\$ 1,976,284	\$ 2,987,261

General Revenues:

Taxes:

Real Property Taxes

Personal Property Taxes

Motor Vehicle Taxes

Other Taxes

Miscellaneous Revenues

Accrued Interest Received

Total General Revenues

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (2,872,120)	\$	\$ (2,872,120)
(2,775,074)		(2,775,074)
(896,457)		(896,457)
(136,575)		(136,575)
(1,248,824)		(1,248,824)
(875,446)		(875,446)
(12,680)		(12,680)
(342,230)		(342,230)
(28,562)		(28,562)
(9,187,968)		(9,187,968)
	3,208	3,208
	3,208	3,208
(9,187,968)	3,208	(9,184,760)
1,304,697		1,304,697
6,708		6,708
151,699		151,699
6,630,082		6,630,082
381,312		381,312
71,692		71,692
8,546,190		8,546,190
(641,778)	3,208	(638,570)
25,375,990	17,594	25,393,584
\$ 24,734,212	\$ 20,802	\$ 24,755,014

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2009

WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2009

	General Fund	Road Fund	Jail Fund	Local Government Economic Development Fund	Public Properties Corporation Courthouse Annex Bond Fund
ASSETS					
Cash and Cash Equivalents	\$ 1,851,163	\$ 126,649	\$ 11,309	\$ 34,306	\$ 282
Total Assets	<u>1,851,163</u>	<u>126,649</u>	<u>11,309</u>	<u>34,306</u>	<u>282</u>
FUND BALANCES					
Reserved for:					
Encumbrances	23,479	26,635	11,309		
Unreserved:					
General Fund	1,827,684				
Special Revenue Funds		100,014		34,306	
Debt Service Funds					282
Total Fund Balances	<u>\$ 1,851,163</u>	<u>\$ 126,649</u>	<u>\$ 11,309</u>	<u>\$ 34,306</u>	<u>\$ 282</u>

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
June 30, 2009
(Continued)

Public Properties Corporation Community Center Bond Fund	Public Properties Corporation Jail Bond Fund 2003 Series	Non- Major Funds	Total Governmental Funds
<u>\$ 2,519</u>	<u>\$ 48</u>	<u>\$ 128,566</u>	<u>\$ 2,154,842</u>
<u>2,519</u>	<u>48</u>	<u>128,566</u>	<u>2,154,842</u>
			61,423
			1,827,684
		128,566	262,886
<u>2,519</u>	<u>48</u>		<u>2,849</u>
<u>\$ 2,519</u>	<u>\$ 48</u>	<u>\$ 128,566</u>	<u>\$ 2,154,842</u>

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:

Total Fund Balances	\$ 2,154,842
Amounts Reported For Governmental Activities In The Statement Of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources And Therefore Are Not Reported in the Funds.	54,953,510
Accumulated Depreciation	(23,639,908)
Long-term Debt Is Not Due and Payable in the Current Period and, Therefore, Is Not Reported in the Funds.	
Financing Obligations	(559,232)
General Obligation Bonds	(4,955,000)
Revenue Bonds	(3,220,000)
Net Assets Of Governmental Activities	<u>\$ 24,734,212</u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	General Fund	Road Fund	Jail Fund	Local Government Economic Development Fund	Public Properties Corporation Courthouse Annex Bond Fund
REVENUES					
Taxes	\$ 8,082,407	\$	\$	\$	\$
Licenses and Permits	50,794				
Intergovernmental	1,556,484	912,360	676,541	139,382	
Charges for Services	763,502	10,396	49,591		179,687
Miscellaneous	415,948	5,275	41,672		
Interest	71,597				12
Total Revenues	<u>10,940,732</u>	<u>928,031</u>	<u>767,804</u>	<u>139,382</u>	<u>179,699</u>
EXPENDITURES					
General Government	2,508,599				
Protection to Persons and Property	2,679,946		1,314,807		
General Health and Sanitation	1,074,398			111,977	
Social Services	133,715				
Recreation and Culture	826,054			529,935	
Roads		1,322,590			
Debt Service	151,535				199,199
Bus Services	25,501				
Capital Projects	6,923				
Administration	1,917,086	137,543	151,486	5,918	
Total Expenditures	<u>9,323,757</u>	<u>1,460,133</u>	<u>1,466,293</u>	<u>647,830</u>	<u>199,199</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>1,616,975</u>	<u>(532,102)</u>	<u>(698,489)</u>	<u>(508,448)</u>	<u>(19,500)</u>
Other Financing Sources (Uses)					
Adjustment to Prior Year Surplus			360		
Transfers From Other Funds	76,796	600,000	650,000		19,512
Transfers To Other Funds	(1,684,264)		(76,796)		
Borrowed Money (Jail Renovation Loan)	152,000				
Total Other Financing Sources (Uses)	<u>(1,455,468)</u>	<u>600,000</u>	<u>573,564</u>		<u>19,512</u>
Net Change in Fund Balances	161,507	67,898	(124,925)	(508,448)	12
Fund Balances - Beginning	1,689,656	58,751	136,234	542,754	270
Fund Balances - Ending	<u>\$ 1,851,163</u>	<u>\$ 126,649</u>	<u>\$ 11,309</u>	<u>\$ 34,306</u>	<u>\$ 282</u>

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

Public Properties Corporation Community Center Bond Fund	Public Properties Corporation Jail Bond Fund 2003 Series	Non- Major Funds	Total Governmental Funds
\$	\$	\$	\$ 8,082,407
			50,794
		260,193	3,544,960
201,279			1,204,455
		29,104	491,999
83			71,692
<u>201,362</u>		<u>289,297</u>	<u>13,446,307</u>
		72,000	2,580,599
		63,464	4,058,217
		51,687	1,238,062
		2,860	136,575
			1,355,989
		34,166	1,356,756
402,558	196,473		949,765
			25,501
		33,041	39,964
		507	2,212,540
<u>402,558</u>	<u>196,473</u>	<u>257,725</u>	<u>13,953,968</u>
<u>(201,196)</u>	<u>(196,473)</u>	<u>31,572</u>	<u>(507,661)</u>
			360
201,279	196,473	17,000	1,761,060
			(1,761,060)
			152,000
<u>201,279</u>	<u>196,473</u>	<u>17,000</u>	<u>152,360</u>
83		48,572	(355,301)
2,436	48	79,994	2,510,143
<u>\$ 2,519</u>	<u>\$ 48</u>	<u>\$ 128,566</u>	<u>\$ 2,154,842</u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

WOODFORD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (355,301)

Amounts reported for governmental activities in the Statement of Activities are different because Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is located over their estimated useful lives and reported as depreciation expense.

Capital Outlay	763,443
Depreciation Expense	(1,416,432)
Assets Disposed Of - Net Book Value.	(89,023)

The issuance of long-term debt (e.g. bonds, financing obligations) provides current financial resources to governmental funds, while lease and bond principal payments are expensed in the Government Funds as a use of current financial resources. These transactions, however, have no effect on net assets.

Financing Obligation Proceeds	(152,000)
Financing Obligations Principal Payments	132,535
Bond Principal Payments	<u>475,000</u>

Change in Net Assets of Governmental Activities	\$ (641,778)
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WOODFORD COUNTY
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2009

WOODFORD COUNTY
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2009

	Business-Type Activities - Enterprise Fund
	Jail Canteen Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 20,043
Other	759
Total Assets	<u>20,802</u>
Net Assets	
Unrestricted	20,802
Total Net Assets	<u><u>\$ 20,802</u></u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund
	Jail Canteen Fund
Operating Revenues	
Canteen Receipts	\$ 63,428
Total Operating Revenues	<u>63,428</u>
Operating Expenses	
Cost of Sales	51,467
Educational and Recreational	1,102
Personnel Costs	<u>7,651</u>
Total Operating Expenses	<u>60,220</u>
Operating Income	<u>3,208</u>
Change In Net Assets	3,208
Total Net Assets - Beginning	17,594
Total Net Assets - Ending	<u><u>\$ 20,802</u></u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

WOODFORD COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund
	Jail Canteen Fund
Cash Flows From Operating Activities	
Receipts From Customers	\$ 63,428
Payments to Suppliers	(52,569)
Payments to Employers	<u>(7,651)</u>
Net Cash Provided By Operating Activities	<u>3,208</u>
 Net Increase in Cash and Cash Equivalents	 3,208
Cash and Cash Equivalents - July 1, 2008	<u>17,594</u>
 Cash and Cash Equivalents - June 30, 2009	 <u><u>\$ 20,802</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
 Operating Income	 <u>\$ 3,208</u>
 Net Cash Provided By Operating Activities	 <u><u>\$ 3,208</u></u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

WOODFORD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

	<u>Agency Fund</u>
	Jail
	Canteen
	Inmate
	<u>Account</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 20,791
Total Assets	<u> 20,791</u>
Liabilities	
Amounts Held In Custody For Others	<u> 20,791</u>
Total Liabilities	<u><u> \$ 20,791</u></u>

The accompanying notes are an integral part of the financial statements.

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENTS**

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WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The county presents its' government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included and recognized on the Balance Sheet - Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance (Reserved for Encumbrances).

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however the value of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

B. Reporting Entity

The financial statements of Woodford County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity includes organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or the organization's exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as the primary government. All other component units are discretely presented. The County has no discretely presented component units.

Blended Component Units

The following legally separate organization provides its services exclusively to the primary government, and the fiscal court is able to impose its will on this organization. This organization's balances and transactions are reported as though it is part of the county's primary government using the blending method.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

Woodford County Public Properties Corporation

The Public Properties Corporation Courthouse Annex Bond Fund, Public Properties Corporation Community Center Bond Fund and the Public Properties Corporation Jail Bond Fund are included as part of the Woodford County Public Properties Corporation. This component unit cannot be sued in its own name without recourse to the Woodford County Fiscal Court, which appoints a voting majority, consisting of the fiscal court members. The fiscal court is able to impose its will on the Corporation. The Corporation is created solely for the benefit of the fiscal court per KRS 58.180 to act as the agent in the acquisition and financing of any public project. The fiscal court has access to the Corporation's resources, is legally obligated to finance the debts of or provide financial support to the Corporation. The Corporation is financially accountable to the fiscal court.

C. Woodford County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Woodford County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Woodford County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues come mostly from fees charged to external parties for goods or services. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1, following the assessment, and subject to lien and sale February 1, following the delinquency date.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the financial statements.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Governmental Funds (Continued)

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the General Fund. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Local Government Economic Development Fund - The purpose of this fund is to account for economic development projects. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Public Properties Corporation Courthouse Annex Bond Fund - The purpose of this fund is to account for debt service requirements of the Courthouse Annex bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

Public Properties Corporation Community Center Bond Fund - The purpose of this fund is to account for debt service requirements of the Community Center bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

Public Properties Corporation Jail Bond Fund Series 2003 - The purpose of this fund is to account for debt service requirements of the Jail bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

The primary government also has the following non-major funds: Local Government Economic Assistance Fund, State Grant Fund, Federal Grant, and Disaster Emergency Fund.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the county's enterprise fund are charges to customers for sales in the Jail Canteen Fund. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. The government has elected not to adopt Financial Accounting Standards Board (FASB) Statements or Interpretations issued after November 30, 1989, unless the Government Accounting Standards Board (GASB) specifically adopts such FASB Statements or Interpretations.

Jail Canteen Fund - The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen Fund.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. The county's agency fund is used to account for monies held by the county in the Jail Canteen Inmate Account for custodial purposes only. Unlike other funds, the agency fund reports assets and liabilities only; therefore, it has no measurement focus.

E. Deposits

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction In Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	all	10 to 60
Buildings	\$ 25,000	10 to 75
Building Improvements	\$ 25,000	3 to 25
Machinery and Equipment	\$ 2,500	3 to 25
Vehicles	\$ 2,500	3 to 25
Infrastructure	\$ 20,000	10 to 50

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes and financing obligations are reported.

In the fund financial statements, governmental funds recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose, long-term receivables, and encumbrances.

"Reserved for Encumbrances" are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the fiscal court incurs no liability until performance has occurred on the part of the party with whom the fiscal court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however, encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance.

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. Formal budgets are not adopted for the Public Properties Corporation, The Jail Canteen Fund, and the Jail Canteen Inmate Account.

The State Local Finance Officer does not require the Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific annual payments to these funds and these transfers are budgeted in the governmental funds.

The State Local Finance Officer does not require the Jail Canteen Fund and the Jail Canteen Inmate Account to be budgeted because the fiscal court does not approve the expenses from these funds.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

J. Related Organizations, Joint Venture, and Jointly Governed Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of the Woodford County Fiscal Court:

South Woodford County Water District	Woodford County Health District
Northeast Woodford County Water District	Woodford County Library District
Woodford County Tourism Commission	Woodford County Conservation District

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based upon these criteria, the following are considered joint ventures of the Woodford County Fiscal Court:

Versailles-Woodford County Parks and Recreation Department
Versailles-Woodford County Economic Development Authority
Versailles, Midway and Woodford County Planning and Zoning Commission

Note 2. Deposits

The primary government and component unit maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposit may not be returned to it. The government does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2009, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Reporting Entity			
	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 1,860,984	\$	\$	\$ 1,860,984
Construction In Progress	152,313	141,368	(43,358)	250,323
Total Capital Assets Not Being Depreciated	2,013,297	141,368	(43,358)	2,111,307
Capital Assets, Being Depreciated:				
Buildings	24,060,299			24,060,299
Other Equipment	604,862	136,652	(16,500)	725,014
Vehicles and Equipment	2,927,041	242,422	(87,439)	3,082,024
Infrastructure	24,731,865	243,001		24,974,866
Total Capital Assets Being Depreciated	52,324,067	622,075	(103,939)	52,842,203
Less Accumulated Depreciation For:				
Buildings	(6,186,269)	(424,459)		(6,610,728)
Other Equipment	(223,363)	(97,066)	14,900	(305,529)
Vehicles and Equipment	(1,655,872)	(215,699)	43,374	(1,828,197)
Infrastructure	(14,216,246)	(679,208)		(14,895,454)
Total Accumulated Depreciation	(22,281,750)	(1,416,432)	58,274	(23,639,908)
Total Capital Assets, Being Depreciated, Net	30,042,317	(794,357)	(45,665)	29,202,295
Governmental Activities Capital Assets, Net	<u>\$ 32,055,614</u>	<u>\$ (652,989)</u>	<u>\$ (89,023)</u>	<u>\$ 31,313,602</u>

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities:</u>	
General Government	\$ 166,388
Protection to Persons and Property	184,587
General Health and Sanitation	41,178
Recreation and Culture	233,496
Roads, Including Depreciation of General Infrastructure Assets	<u>790,783</u>
Total Depreciation Expense - Governmental Activities	<u>\$1,416,432</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 4. Long-term Debt

A. First Mortgage Revenue Refunding Bonds - Series 2008

On January 1, 2007, the Woodford County Public Properties Corporation issued \$3,290,000 in First Mortgage Revenue Refunding Bonds for the purpose of the defeasance of the outstanding Lease Revenue Bonds, Series 1997, along with paying the associated costs of issuing the bonds. Of this amount \$3,187,300 was placed with an escrow agent in order to pay the 1997 bonds upon eligible maturity (beginning on or after February 1, 2011). Principal payments are due February 1, and interest, which varies from 3.75% to 4.125% is payable semiannually on February 1 and August 1. The outstanding principal balance as of June 30, 2009 was \$3,220,000.

Fiscal Year Ended June 30	Principal	Interest
2010	\$ 110,000	\$ 126,574
2011	115,000	122,449
2012	115,000	118,136
2013	120,000	113,824
2014	125,000	109,324
2015-2019	720,000	470,651
2020-2024	865,000	320,334
2025-2028	1,050,000	132,700
Totals	<u>\$ 3,220,000</u>	<u>\$ 1,513,992</u>

Also on January 1, 2007, Woodford County entered into a sublease agreement with the Administrative Office of the Courts, which states that the Administrative Office of the Courts agrees to pay 91.95% of the debt service requirements. The Administrative Office of the Courts has an exclusive option to renew this agreement from biennium (July 1-June 30) for periods of two years at a time until February 1, 2029.

B. General Obligation Bonds, Series 2000

On February 1, 2000, the Woodford County Public Properties Corporation issued \$5,490,000 in non-voted general obligation bonds to construct a community center. Principal payments are due February 1, and interest, which varies from 5.375% to 5.45%, is payable semiannually on August 1 and February 1. The county made the scheduled payment on February 1, 2008, consisting of a principal payment of \$200,000 and interest of \$108,251, leaving an outstanding principal balance of \$3,795,000. On March 1, 2007, the majority of these bonds (those with maturity date of 2011 and after) were defeased with General Obligation Refunding Bonds, Series 2008. As of June 30, 2009 the outstanding principal balance was \$230,000.

Fiscal Year Ended June 30	Principal	Interest
2010	<u>230,000</u>	<u>12,362</u>
Totals	<u>\$ 230,000</u>	<u>\$ 12,362</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 4. Long-term Debt (Continued)

C. General Obligation Refunding Bonds - Series 2007

On March 1, 2007, the Woodford County Public Properties Corporation issued \$3,420,000 General Obligation Refunding Bonds for the purpose of the defeasance of the majority of the outstanding General Obligation Bonds, Series 2000 (those with a maturity date of 2011 and after) along with paying the associated costs of issuing the bonds. Of this amount, \$3,339,935 was placed with an escrow agent in order to pay off eligible bonds upon maturity. Principal payments are due February 1, and interest, at a fixed rate of 3.65%, is payable semiannually on February 1 and August 1. This amount has been determined to meet all bond and interest requirements maturing on or after February 1, 2011. As of June 30, 2009, the outstanding principal balance is \$3,345,000.

Fiscal Year Ended June 30	Principal	Interest
2010	\$ 35,000	\$ 122,093
2011	280,000	120,815
2012	295,000	110,595
2013	300,000	99,828
2014	310,000	88,878
2015-2019	1,735,000	266,085
2020	390,000	14,235
Totals	<u>\$ 3,345,000</u>	<u>\$ 822,529</u>

D. General Obligation Bonds - Series 2003

On October 1, 2003, the Woodford County Public Properties Corporation issued \$2,115,000 General Obligation Refunding Bonds for the purpose of the current refunding of all of the outstanding Woodford County Public Properties Corporation Project Revenue Refunding Bonds, 1993 Series A, along with paying the associated costs of issuing the bonds. Principal payments are due November 1, and interest is payable semiannually on May 1 and November 1. The outstanding principal balance as of June 30, 2009 was \$1,380,000.

Fiscal Year Ended June 30	Principal	Interest
2010	\$ 155,000	\$ 43,185
2011	160,000	38,968
2012	170,000	34,053
2013	175,000	28,530
2014	175,000	22,624
2015-2017	545,000	29,223
Totals	<u>\$ 1,380,000</u>	<u>\$ 196,583</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 4. Long-term Debt (Continued)

E. Changes In Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 5,360,000	\$	\$ 405,000	\$ 4,955,000	\$ 420,000
Revenue Bonds	3,290,000		70,000	3,220,000	110,000
Bond Anticipation Note Financing Obligations	<u>539,767</u>	<u>152,000</u>	<u>132,535</u>	<u>559,232</u>	<u>163,386</u>
Governmental Activities Long-term Liabilities	<u>\$ 9,189,767</u>	<u>\$ 152,000</u>	<u>\$ 607,535</u>	<u>\$ 8,734,232</u>	<u>\$ 693,386</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 5. Financing Obligations

- A. On December 8, 1994, Woodford County entered into a \$387,000 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the construction of a Conservation District Building, with repayment to be made over a twenty-five year period. Principal payments are due January 20, and interest payments are due monthly. As of December 1, 2004, this agreement converted from a fixed rate of 5.95% to a variable rate. The outstanding principal balance as of June 30, 2009 was \$200,000.

Fiscal Year Ended June 30	Principal	Interest
2010	20,000	9,545
2011	20,000	8,545
2012	20,000	7,557
2013	20,000	6,559
2014	20,000	5,563
2015-2019	100,000	12,881
Totals	<u>\$ 200,000</u>	<u>\$ 50,650</u>

- B. On March 2, 2005, Woodford County entered into a \$498,845 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the construction of a Jail, with repayment to be made over a sixty-four (64) month period. Principal payments are due annually on July 20, and interest, which is based on a variable rate, is due monthly. The outstanding principal balance as of June 30, 2009 was \$178,845.

Fiscal Year Ended June 30	Principal	Interest
2010	85,000	3,990
2011	93,845	316
Totals	<u>\$ 178,845</u>	<u>\$ 4,306</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 5. Financing Obligations (Continued)

- C. On July 13, 2004, Woodford County entered into a \$133,674 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of an ambulance, with repayment to be made over a fifty-three (53) month period. Principal payments are due annually on July 20, and interest, which is set at a fixed rate of 3.17%, is due monthly. The outstanding principal balance as of June 30, 2009 was \$28,386.

Fiscal Year Ended June 30	Principal	Interest
2010	28,386	98
Totals	<u>\$ 28,386</u>	<u>\$ 98</u>

- D. On June 25, 2009, Woodford County entered into a \$152,000 financing obligation with Kentucky Association of Counties Leasing Trust Program for the renovation of jail showers, with repayment to be made over a sixty (60) month period. Principal payments are due annually on June 20, and interest, which is based on a variable rate, is due monthly. The outstanding principal balance as of June 30, 2009 was \$152,000.

Fiscal Year Ended June 30	Principal	Interest
2010	30,000	5,746
2011	30,000	4,825
2012	30,000	3,709
2013	30,000	2,584
2014	32,000	1,462
Totals	<u>\$ 152,000</u>	<u>\$ 18,326</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 6. Commitments and Contingencies

- A. The Versailles - Woodford County Economic Development Authority had a loan of \$6,300,000 dated December 11, 2001 of which only \$5,651,161 had been drawn down through June 30, 2004. The loan was guaranteed by Woodford County and the City of Midway and secured by real estate. As agreed, the fiscal court had been paying half the interest on the loan. On December 1, 2004, the Woodford County Economic Development Authority issued First Mortgage Revenue Bonds, Series 2004, in the amount of \$6,247,350. The proceeds from this issuance were used to pay off the original loan. These bonds constitute special obligations of the Economic Development Authority and the principal and interest and any premium on the bonds are payable solely from the revenues and other moneys pledged and assigned by the mortgage to secure that payment. The bonds do not represent or constitute an indebtedness of the Governmental Units or a pledge of the faith and credit or the taxing power of the governmental units. The fiscal court has agreed to pay half the interest on the bonds, as payments are due. They expect to be reimbursed when the industrial park is sold.
- B. Woodford County Parks and Recreation obtained a lease in the amount of \$23,733 on March 17, 2009 for three commercial grade mowers. The lease was between KACo and the Fiscal Court. Woodford County Parks and Recreation receives and pays all associated lease payments, however, if Woodford County Parks and Recreation were to default on this lease, the Fiscal Court would be responsible for the repayment. As of June 30, 2009, the outstanding principal balance was \$21,824.

Note 7. Employee Retirement System

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 13.5 percent.

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9 percent of their salary to be allocated as follows: 8% will go to the member's account and 1% will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 29.5 percent.

The county's contribution for FY 2007 was \$697,063, FY 2008 was \$886,136, and FY 2009 was \$748,030.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is 65, with a minimum of 60 months service credit.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 7. Employee Retirement System (Continued)

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 8. Deferred Compensation

On February 24, 2000, the Woodford County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by The Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-792.

Note 9. Insurance

For the fiscal year ended June 30, 2009, Woodford County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 10. Prior Period Adjustment

The beginning balance of governmental activities has been restated by \$7,050 to reflect adjustments made to capital assets because of certain capital assets being left off of capital asset listing.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 11. Estimated Infrastructure Historical Cost

Historical cost of infrastructure placed in service prior to the fiscal year ended June 30, 2004 (year of GASB 34 implementation) is an estimate. For those assets, the primary government estimated the year infrastructure was built by determining when a major reconstruction had been done on infrastructure. This estimate was used to calculate the infrastructure historical cost by determining current year construction cost and deflating it back to the estimated year of construction or reconstruction. Estimated infrastructure historical cost includes infrastructure placed in service from fiscal year 1984 through June 30, 2003. All infrastructure assets placed in service during the fiscal year ended June 30, 2004 and thereafter are recorded at actual historical cost.

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2009

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis

For The Year Ended June 30, 2009

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 8,800,300	\$ 8,800,300	\$ 8,082,407	\$ (717,893)
Licenses and Permits	43,400	43,400	50,794	7,394
Intergovernmental Revenue	1,686,895	1,686,895	1,556,484	(130,411)
Charges for Services	697,000	697,000	763,502	66,502
Miscellaneous	300,410	300,410	415,948	115,538
Interest	70,000	70,000	71,597	1,597
Total Revenues	<u>\$ 11,598,005</u>	<u>\$ 11,598,005</u>	<u>\$ 10,940,732</u>	<u>\$ (657,273)</u>
EXPENDITURES				
General Government	\$ 2,647,146	\$ 2,744,666	\$ 2,508,599	\$ 236,067
Protection to Persons and Property	2,558,273	2,798,952	2,679,946	119,006
General Health and Sanitation	1,190,409	1,199,052	1,074,398	124,654
Social Services	137,513	141,978	133,715	8,263
Recreation and Culture	646,614	854,133	826,054	28,079
Bus Services	20,000	25,501	25,501	
Debt Service	153,860	153,860	151,535	2,325
Capital Projects		6,923	6,923	
Administration	4,121,737	2,580,557	1,917,086	663,471
Total Expenditures	<u>\$ 11,475,552</u>	<u>\$ 10,505,622</u>	<u>\$ 9,323,757</u>	<u>\$ 1,181,865</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>122,453</u>	<u>1,092,383</u>	<u>1,616,975</u>	<u>524,592</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,225,553)	(2,225,553)	(1,684,264)	541,289
Transfers In			76,796	76,796
Borrowed Money - Loan (Jail Renovation)			152,000	152,000
Total Other Financing Sources (Uses)	<u>\$ (2,225,553)</u>	<u>\$ (2,225,553)</u>	<u>\$ (1,455,468)</u>	<u>\$ 770,085</u>
Net Changes in Fund Balance	(2,103,100)	(1,133,170)	161,507	1,294,677
Fund Balance - Beginning	<u>2,104,000</u>	<u>1,689,656</u>	<u>1,689,656</u>	
Fund Balance - Ending	<u>\$ 900</u>	<u>\$ 556,486</u>	<u>\$ 1,851,163</u>	<u>\$ 1,294,677</u>

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2009
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenue	\$ 900,290	\$ 900,290	\$ 912,360	\$ 12,070
Charges for Services	3,000	3,000	10,396	7,396
Miscellaneous	1,500	1,500	5,275	3,775
Total Revenues	<u>\$ 904,790</u>	<u>\$ 904,790</u>	<u>\$ 928,031</u>	<u>\$ 23,241</u>
EXPENDITURES				
Roads	\$ 1,488,289	\$ 1,529,972	\$ 1,322,590	\$ 207,382
Administration	173,000	231,751	137,543	94,208
Total Expenditures	<u>\$ 1,661,289</u>	<u>\$ 1,761,723</u>	<u>\$ 1,460,133</u>	<u>\$ 301,590</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(756,499)</u>	<u>(856,933)</u>	<u>(532,102)</u>	<u>324,831</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	756,499	756,499	600,000	(156,499)
Total Other Financing Sources (Uses)	<u>\$ 756,499</u>	<u>\$ 756,499</u>	<u>\$ 600,000</u>	<u>\$ (156,499)</u>
Net Changes in Fund Balance		(100,434)	67,898	168,332
Fund Balance - Beginning		<u>58,751</u>	<u>58,751</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (41,683)</u>	<u>\$ 126,649</u>	<u>\$ 168,332</u>

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2009
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenue	\$ 739,450	\$ 739,450	\$ 676,541	\$ (62,909)
Charges for Services	17,500	17,500	49,591	32,091
Miscellaneous	35,100	35,100	41,672	6,572
Total Revenues	<u>\$ 792,050</u>	<u>\$ 792,050</u>	<u>\$ 767,804</u>	<u>\$ (24,246)</u>
EXPENDITURES				
Protection to Persons and Property	\$ 1,501,808	\$ 1,502,793	\$ 1,314,807	\$ 187,986
Administration	192,300	328,308	151,486	176,822
Total Expenditures	<u>\$ 1,694,108</u>	<u>\$ 1,831,101</u>	<u>\$ 1,466,293</u>	<u>\$ 364,808</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(902,058)</u>	<u>(1,039,051)</u>	<u>(698,489)</u>	<u>340,562</u>
OTHER FINANCING SOURCES (USES)				
Adjustment to Prior Year Surplus			360	(360)
Transfers Out			(76,796)	(76,796)
Transfers In	902,058	902,058	650,000	(252,058)
Total Other Financing Sources (Uses)	<u>\$ 902,058</u>	<u>\$ 902,058</u>	<u>\$ 573,564</u>	<u>\$ (329,214)</u>
Net Changes in Fund Balance		(136,993)	(124,925)	12,068
Fund Balance - Beginning		<u>136,234</u>	<u>136,234</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (759)</u>	<u>\$ 11,309</u>	<u>\$ 12,068</u>

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2009
(Continued)

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 962,241	\$ 962,241	\$ 139,382	\$ (822,859)
Total Revenues	\$ 962,241	\$ 962,241	\$ 139,382	\$ (822,859)
EXPENDITURES				
General Health and Sanitation	\$ 950,000	\$ 950,000	\$ 111,977	\$ 838,023
Recreation and Culture	47,041	1,041,295	529,935	511,360
Administration	13,700	14,858	5,918	8,940
Total Expenditures	\$ 1,010,741	\$ 2,006,153	\$ 647,830	\$ 1,358,323
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(48,500)	(1,043,912)	(508,448)	535,464
Net Changes in Fund Balance	(48,500)	(1,043,912)	(508,448)	535,464
Fund Balance - Beginning	48,500	542,754	542,754	
Fund Balance - Ending	\$ 0	\$ (501,158)	\$ 34,306	\$ 535,464

WOODFORD COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2009

Note 1. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

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WOODFORD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2009

WOODFORD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2009

	LGEA Fund	State Grant Fund	Federal Grant Fund	Disaster Emergency Fund	Total Non-Major Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 102,133	\$ 21,126	\$	\$ 5,307	\$ 128,566
Total Assets	<u>102,133</u>	<u>21,126</u>	<u></u>	<u>5,307</u>	<u>128,566</u>
FUND BALANCES					
Unreserved:					
Special Revenue Funds	<u>102,133</u>	<u>21,126</u>	<u>0</u>	<u>5,307</u>	<u>128,566</u>
Total Fund Balances	<u>\$ 102,133</u>	<u>\$ 21,126</u>	<u>\$ 0</u>	<u>\$ 5,307</u>	<u>\$ 128,566</u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2009

WOODFORD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

For The Year Ended June 30, 2009

	LGFA Fund	State Grant Fund	Federal Grant Fund	Disaster Emergency Fund	Total Non-Major Governmental Funds
REVENUES					
Intergovernmental	\$ 75,900	\$ 155,047	\$ 11,402	\$ 17,844	\$ 260,193
Charges for Services					
Miscellaneous				29,104	29,104
Total Revenues	<u>75,900</u>	<u>155,047</u>	<u>11,402</u>	<u>46,948</u>	<u>289,297</u>
EXPENDITURES					
General Government		72,000			72,000
Protection to Persons and Property		735		62,729	63,464
General Health and Sanitation		51,687			51,687
Social Services		2,860			2,860
Recreation and Culture					
Roads	34,166				34,166
Capital Projects		21,639	11,402		33,041
Administration				507	507
Total Expenditures	<u>34,166</u>	<u>148,921</u>	<u>11,402</u>	<u>63,236</u>	<u>257,725</u>
Excess (Deficiency) of Revenues					
Expenditures Before Other					
Financing Sources (Uses)	<u>41,734</u>	<u>6,126</u>		<u>(16,288)</u>	<u>31,572</u>
OTHER FINANCING SOURCES (USES)					
Transfers From Other Funds				17,000	17,000
Total Other Financing Sources				<u>17,000</u>	<u>17,000</u>
Net Change in Fund Balances	41,734	6,126		712	48,572
Fund Balances - Beginning	<u>60,399</u>	<u>15,000</u>		<u>4,595</u>	<u>79,994</u>
Fund Balances - Ending	<u>\$ 102,133</u>	<u>\$ 21,126</u>	<u>\$ 0</u>	<u>\$ 5,307</u>	<u>\$ 128,566</u>

The accompanying notes are an integral part of the financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents and have issued our report thereon dated June 3, 2010. Woodford County presents its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Woodford County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodford County's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness on Woodford County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Woodford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Woodford County Fiscal Court, and the Department for Local Government and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

June 3, 2010

**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

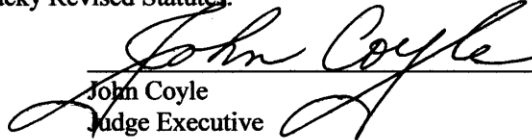
WOODFORD COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2009**

CERTIFICATON OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
AND DEVELOPMENT PROGRAMS
WOODFORD COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2009

The Woodford County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance and Development Programs was expended for the purpose intended, as dictated by the applicable Kentucky Revised Statutes.


John Coyle
Judge Executive


Becky Wilson
County Treasurer

